

## Message Text

UNCLASSIFIED

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ACTION TRSE-00

INFO OCT-01 EUR-12 EA-12 ISO-00 EB-08 H-02 ITC-01  
COME-00 /036 W

-----066111 220009Z /23

R 211526Z AUG 78  
FM AMEMBASSY LONDON  
TO SECSTATE WASHDC 9343  
TREASURY DEPT WASHDC  
INFO AMEMBASSY BERN  
AMEMBASSY BONN  
AMEMBASSY PARIS  
AMEMBASSY ROME  
AMEMBASSY TOKYO

UNCLAS LONDON 13466

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: U.K. FOREIGN TARIFF AND TAX TREATMENT OF  
GOLD COIN AND MEDALLION SALES

REF: STATE 210937

1. FOLLOWING INFORMATION SUPPLIED BY SENIOR OFFICIAL  
AT BANK OF ENGLAND WHOSE DUTIES ENCOMPASS GOLD  
ACTIVITIES:

QUESTION: 1A. HOW DOES THE U.K. TREAT GOLD COINS AND  
MEDALLIONS FOR IMPORT TARIFF AND VAT  
PURPOSES?

ANSWER: 1B. CUSTOMS TREATMENT: COINS ISSUED BY A  
GOVERNMENT FOR USE AS LEGAL TENDER  
WHETHER IN CURRENT USE OR NOT ARE FREE  
OF IMPORT DUTY. CLASSIFICATION CODE:  
72.01.

MEDALLIONS ARE DESCRIBED AS ARTICLES OF  
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GOLDSMITHS AND SILVERSMITHS WARES SUB-  
JECT TO IMPORT DUTY ON THE BASIS OF  
7-L/2 PERCENT OF VALUE. CLASSIFICA-  
TION CODE: 71.13.  
EITHER COINS OR MEDALLIONS COULD BE  
CLASSIFIED UNDER TWO OTHER CLASSIFICA-  
TION CODES: COLLECTOR'S ITEMS (CODE

99.05) OR ANTIQUES (CODE 99.06); NEITHER  
ATTRACT ANY DUTY; THE DIFFERENCE IS  
COLLECTOR'S ITEMS HAVE A RARITY VALUE  
(MATTER OR OPINION) AND ANTIQUES MUST  
BE 100 YEARS OLD.

1C. THE VAT ISSUE:

THERE ARE TWO CONSIDERATIONS:

1. COINS WHICH ARE NOW LEGAL TENDER ARE  
CALLED ZERO RATED AND ARE NOT TAXABLE.

2. ANY COIN THAT IS NO LONGER LEGAL  
TENDER OR ANY MEDALLION IS TAXABLE.

QUESTION: 2A. ARE COINS TREATED DIFFERENTLY FROM  
MEDALLIONS?

ANSWER: 2B. YES, SEE ABOVE.

QUESTION: 3A. HOW ARE COINS DEFINED?

ANSWER: 3B. ANYTHING WHICH HAS AT ANY TIME BEEN  
LEGAL TENDER AS COINAGE IN ANOTHER  
COUNTRY.

QUESTION: 4A. HOW ARE KRUGERRANDS TREATED? ARE THEY  
TREATED ANY DIFFERENTLY?

ANSWER: 4B. NO, THEY ARE TREATED AS LEGAL TENDER.

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOLD, SALES, TARIFFS, COINS, TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 21 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 jan 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Subject:** U.K. FOREIGN TARIFF AND TAX TREATMENT OF GOLD COIN AND MEDALLION SALES  
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**Type:** TE  
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20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014